Ministry of Agriculture

Saskatchewan Agricultural Stabilization Fund

Annual Report for 2013-14

saskatchewan.ca

Government of Saskatchewan

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This annual report is also available in electronic format from the Ministry's website at www.agriculture.gov.sk.ca.

Letters of Transmittal

June 23, 2014

Her Honour, the Honourable Vaughn Solomon Schofield
Lieutenant Governor of Saskatchewan

May it please Your Honour:

I have the pleasure to submit to your Honour the annual report of the Saskatchewan Agricultural Stabilization Fund for the year ending March 31, 2014.

Respectfully submitted,

Lyle Stewart
Minister of Agriculture

June 23, 2014

The Honourable Lyle Stewart
Minister of Agriculture

Sir:

I wish to present to you the annual report of the Saskatchewan Agricultural Stabilization Fund for the year ending March 31, 2014.

The Fund's annual report was prepared under my direction in accordance with the Government's Accountability Framework and its system of planning, measuring and reporting.

All key actions and associated economic or fiscal implications of which I am aware have been considered in the preparation of this report.

Respectfully submitted,

Alanna Koch
Deputy Minister of Agriculture

The Saskatchewan Agricultural Stabilization Fund

The Saskatchewan Agricultural Stabilization Fund (the Fund) is established under *The Farm Financial Stability Act*.

The purpose of the Fund is to administer those programs established under the Act, which enhance or stabilize the incomes of Saskatchewan farmers or the returns from commodities produced by Saskatchewan farmers.

The Fund administers each program that is set up under it by establishing a separate account, which receives funding from the provincial and federal governments and pays out these funds according to the specific program regulations.

The Fund operates the following eight accounts (three are inactive) which are established by the regulations noted:

- Wildlife Damage Compensation Program Account – *The Wildlife Damage and Livestock Predation Regulations*
- The Farm and Ranch Water Infrastructure Program 2013 (FRWIP) – *The 2013 Farm and Ranch Water Infrastructure Program Regulations*
- The 2009 Farm and Ranch Water Infrastructure Program (FRWIP 2009) – *The 2009 Farm and Ranch Water Infrastructure Program Regulations*
- The Canada-Saskatchewan Excess Moisture Program (CSEMP) – *The Excess Moisture Program Regulations, 2011*
- The Saskatchewan Feed and Forage Program 2011 – *The 2011 Saskatchewan Feed and Forage Program Regulations*
- The Saskatchewan Feed and Forage Program 2010 – *The Saskatchewan Feed and Forage Program Regulations* (account inactive)
- The Specified Risk Material Management (SRM) Program – *The Canada-Saskatchewan Specified Risk Material Management Program Regulations* (account inactive)
- The Canada-Saskatchewan Pasture Recovery Initiative (CSPRI) – *The Canada-Saskatchewan Pasture Recovery Initiative Regulations* (account inactive)

Wildlife Damage Compensation and Livestock Predation Prevention Program

The Wildlife Damage Compensation and Livestock Predation Prevention Program is administered by the Saskatchewan Crop Insurance Corporation (SCIC) under Growing Forward 2 on behalf of the federal and provincial governments. This program consists of three components: crop damage compensation, predation compensation and prevention.

Under this program, compensation is provided for crop damage caused by any wild animal, including ducks, geese, sandhill cranes, white-tailed and mule deer, antelope, elk, bison, moose, bear and most recently wild boar, beavers and blackbirds. Producers are eligible for 100 per cent compensation on claims $150 and over. Payments are based on the grade at the time of harvest, reflecting the value of the damaged crop; protein adjustments and malting status are not included in determining compensation amounts.

In 2010, compensation also became available for wildlife damage to crops and feed used for swath, bale and corn grazing. The previous compensation limit of $5,200 was also removed for wildlife damage to stacked feed in a yard site.

SCIC began administering predation compensation in 2010. The program now provides 100 per cent compensation for the death of livestock or poultry due to predation and up to 80 per cent of the animal's value to cover veterinary costs of an injured animal. Compensation will be determined based on market prices.

Funding for crop and predation losses is cost-shared among two levels of government. The federal government contributes 60 per cent and the provincial government contributes 40 per cent, up to the 80 per cent compensation level; the provincial government contributes the additional 20 per cent.

Prevention measures to reduce crop and predation losses are also funded under this program. Available prevention measures include predation specialists, lure crops, waterfowl feeding stations, scare cannons and compensation for guard dogs and fencing.

There are no premiums paid by producers and all Saskatchewan producers are eligible for compensation. Producers do not need to be Crop Insurance contract holders.

Though the former waterfowl and big game programs were combined under a single wildlife program in 2007, the compensation for each type of loss is reported separately.

Wildlife Compensation Program Summary

FISCAL YEAR	Waterfowl Claims	Waterfowl Compensation Paid	Big Game Claims	Big Game Compensation Paid	Predation Claims	Predation Compensation Paid
Pre 1985	5,563	$ 6,909,637				
85-86	2,544	$ 6,389,022				
86-87	2,950	$ 6,658,769				
87-88	1,210	$ 1,779,933				
88-89	807	$ 1,337,903				
89-90	1,384	$ 3,727,130				
90-91	760	$ 2,138,380				
91-92	392	$ 683,391				
92-93	2,040	$ 5,557,642				
93-94	1,560	$ 3,603,156				
94-95	1,668	$ 1,778,556				
95-96	709	$ 1,352,767				
96-97	2,416	$ 7,951,921				
97-98	1,077	$ 4,361,668	1,671	$ 6,412,426		
98-99	298	$ 520,360	264	$ 529,955		
99-00	1,600	$ 4,309,428	400	$ 893,760		
00-01	1,132	$ 2,559,440	383	$ 968,948		
01-02	164	$ 233,093	612	$ 1,306,835		
02-03	781	$ 2,368,893	393	$ 1,164,098		
03-04	1,028	$ 5,202,721	2,789	$10,366,683		
04-05	1,654	$ 5,028,034	813	$ 1,594,932		
05-06	1,601	$ 4,843,872	1,595	$ 3,567,641		
06-07	1,119	$ 4,055,209	1,588	$ 3,890,262		
07-08	1,458	$ 7,696,618	1,294	$ 3,721,846		
08-09	713	$ 2,159,830	927	$ 2,351,247		
09-10	1,129	$ 4,154,806	1,235	$ 3,618,716		
10-11	1,307	$10,423,387	1,401	$ 5,318,029	3,508	$ 1,489,132
11-12	364	$ 1,523,552	1,457	$ 4,003,366	2,205	$ 1,268,279
12-13	661	$ 2,965,034	727	$ 2,753,460	2,957	$ 1,539,609
13-14	684	$ 2,585,807	1,884	$ 6,476,033	1,463	$ 1,454,264
TOTAL	**40,773**	**$ 114,859,959**	**19,433**	**$ 58,938,237**	**10,133**	**$ 5,751,283**
Average	**1,133**	**$ 3,190,554**	**1,143**	**$ 3,466,955**	**2,533**	**$ 1,437,821**
Five-year average	**829**	**$ 4,330,517**	**1,341**	**$ 4,433,921**	**n/a**	**n/a**

Farm and Ranch Water Infrastructure Program 2013 (FRWIP 2013)

FRWIP 2013 provides province-wide funding to farmers, ranchers, irrigation districts, rural municipalities (RMs) and Indian Bands to develop secure water supplies to mitigate the effects of drought and encourage economic growth. There are four categories in this program:

1) **On-farm** – funding for farmers and ranchers for well, pipeline and dugout projects (50 per cent of eligible costs);

2) **Agricultural Business Development** – funding for intensive agricultural operations, value-added agricultural businesses, and Indian Bands to develop sustainable water sources for agricultural use; as well as funding for non-district irrigators to increase irrigation capacity and develop new irrigated acres in Saskatchewan (50 per cent of eligible costs);

3) **Community Wells** – funding for RMs and Indian Bands for community well projects (66 per cent of eligible costs); and

4) **Irrigation Districts** – funding for Irrigation Districts for infill development (90 per cent of eligible costs).

The program was announced on May 3, 2014. The deadline for submitting applications is August 1, 2017, and applicants must complete their projects prior to March 15, 2018. During 2013-14, payments totaling $2.213 million were made on 260 projects.

Farm and Ranch Water Infrastructure Program 2009 (FRWIP 2009)

The FRWIP 2009 provided province-wide funding to farmers, ranchers, RMs and Indian Bands to develop secure water supplies to mitigate the effects of drought and encourage economic growth. There were three components to the program:

1) **On-farm** – funding for farmers and ranchers for well, pipeline and dugout projects (50 per cent of eligible costs);

2) **Community Wells** – funding for RMs and Indian Bands for community well projects (66.66 per cent of eligible costs); and

3) **Irrigation District Projects** – funding for Irrigation Districts for infill development (90 per cent of eligible costs).

The program was announced on April 30, 2009. All remaining outstanding claims under the program were paid out during 2013-14.

The Canada-Saskatchewan Excess Moisture Program (CSEMP)

The CSEMP provided $30 per eligible acre to Saskatchewan producers who had land too wet to seed as of June 20, 2011, or seeded crop lost because of flooding on or before July 31 in 2010 and 2011. The program was administered by the Saskatchewan Crop Insurance Corporation and the cost was shared with 60 per cent paid by the federal government and 40 per cent paid by the provincial government under the AgriRecovery program. All remaining outstanding claims under the program were paid out during 2013-14.

Saskatchewan Feed and Forage Program 2011 (SFFP 2011)

The SFFP 2011 provided $12 per ton to producers who had to purchase additional winter feed for their livestock due to excess moisture. In addition, the SFFP 2011 provided $12 per acre to producers to reseed hay, forage or pasture land damaged by excess moisture.

The SFFP 2011 was administered and funded by the provincial government. All remaining claims under the program were paid out during 2013-14.

Saskatchewan Agricultural Stabilization Fund

FINANCIAL STATEMENTS

March 31, 2014

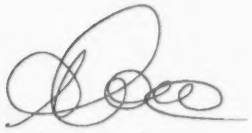
Management's Responsibility for the Financial Statements

The accompanying financial statements of the Saskatchewan Agricultural Stabilization Fund (the Fund) have been prepared by management in accordance with Canadian public sector accounting standards, using management's best estimates and judgments where appropriate.

The Fund's management is responsible for the reliability and integrity of these financial statements and other information in this annual report. Financial information in the annual report is consistent with that provided in these financial statements.

In discharging its responsibility for the reliability and integrity of these financial statements, management maintains financial and management control systems and practices designed to provide reasonable assurance that transactions are authorized, assets are safeguarded and proper records are maintained.

The Fund's external auditor, KPMG LLP, has audited these financial statements and conducted a review of internal accounting policies and procedures to the extent required to enable them to express an opinion on these financial statements.



Alanna Koch
Deputy Minister
Ministry of Agriculture
May 30, 2014

Raymond Arscott, CA
Executive Director
Corporate Services Branch
Ministry of Agriculture
May 30, 2014

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INDEPENDENT AUDITORS' REPORT

To the Members of the Legislative Assembly Province of Saskatchewan

We have audited the accompanying financial statements of Saskatchewan Agricultural Stabilization Fund, which comprise the statement of financial position as at March 31, 2014 and the statements of operations and change in net financial assets and cash flows for the year ended March 31, 2014 and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conduct our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involved performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Saskatchewan Agricultural Stabilization Fund as at March 31, 2014 and the results of its operations and changes in its net financial assets and its cash flows for the year ended March 31, 2014 in accordance with Canadian public sector accounting standards.

KPMG LLP

Chartered Accountants

May 30, 2014
Regina, Canada

KPMG LLP is a Canadian limited liability partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.
KPMG Canada provides services to KPMG LLP.

Statement of Financial Position

As at March 31

	Wildlife Damage Compensation Program		The Farm and Ranch Water Infrastructure Program 2013		The Farm and Ranch Water Infrastructure Program 2009	
	2014	2013	2014	2013	2014	2013
Financial Assets						
Cash (Bank overdraft)	$1,650,794	$ 2,737,149	$ 9,598,186	$ –	$24,609	$ 2,786,892
Investments (Note 4)	4,700,000	5,200,000	–	–	–	–
Due from the Saskatchewan Crop Insurance Corporation	–	–	–	–	–	–
Due from Province of Saskatchewan – General Revenue Fund	–	–	–	–	–	–
Due from Government of Canada	1,690,264	3,141,621	1,495,820	–	–	–
Accrued interest and other receivables	1,435	–	–	–	–	–
	$8,042,493	$11,078,770	$11,094,006	$ –	$24,609	$ 2,786,892
Liabilities						
Accounts payable and accrued liabilities	$ 62,411	$ 36,233	$ –	$ –	$ –	$ –
Indemnities payable	2,430,976	5,047,550	–	–	–	–
Grants payable	–	–	1,208,000	–	–	6,697,491
Deferred revenue	–	–	–	–	–	–
Due to the Saskatchewan Crop Insurance Corporation	592,431	515,691	–	–	–	–
Due to Province of Saskatchewan – GRF	77,569	79,638	7,234	–	24,609	–
Due to Government of Canada	–	–	–	–	–	–
	3,163,387	5,679,112	1,215,234	–	24,609	6,697,491
Net Financial Assets	$4,879,106	$ 5,399,658	$ 9,878,772	$ –	$ –	$(3,910,599)

(See accompanying notes to the financial statements)

Canada – Saskatchewan Excess Moisture Program		Saskatchewan Feed & Forage Program 2010		Saskatchewan Feed & Forage Program 2011		**Total**	
2014	2013	2014	2013	2014	2013	2014	2013
$1,470,642	$ 850,303	$ –	$(27,970)	$ –	$ –	$12,744,231	$ 6,346,374
–	–	–	–	–	–	4,700,000	5,200,000
–	40,850	–	–	–	–	–	40,850
–	–	–	10,382	–	–	–	10,382
47,229	691,573	–	17,588	–	–	3,233,313	3,850,782
16,011	–	–	–	–	–	17,446	–
$1,533,882	$1,582,726	$ –	$ –	$ –	$ –	$20,694,990	$15,448,388
$ –	$ 4,020	$ –	$ –	$ –	$ –	$62,411	$ 40,253
–	–	–	–	–	–	2,430,976	5,047,550
–	–	–	–	–	–	1,208,000	6,697,491
–	–	–	–	–	–	–	–
–	–	–	–	–	–	592,431	515,691
1,533,882	1,578,706	–	–	–	–	1,643,294	1,658,344
–	–	–	–	–	–	–	–
1,533,882	1,582,726	–	–	–	–	5,937,112	13,959,329
$ –	$ –	$ –	$ –	$ –	$ –	$14,757,878	$ 1,489,059

Statement of Operations and Changes in Net Financial Assets

As at March 31

	Wildlife Damage Compensation Program		The Farm and Ranch Water Infrastructure Program 2013		The Farm and Ranch Water Infrastructure Program 2009	
	2014	2013	2014	2013	2014	2013
Revenue						
Interest income	$ 50,916	$ 65,544	$ –	$ –	$ –	$ –
Province of Saskatchewan						
– General Revenue Fund grant programs	4,123,068	6,202,350	9,873,120	–	3,238,494	–
Government of Canada	3,805,908	5,725,246	3,495,820	–	–	1,703,423
Other	–	–	–	–	696,714	–
	7,979,892	11,993,140	13,368,940	–	3,935,208	1,703,423
Expenses						
Indemnities	7,925,812	11,927,739	–	–	–	–
Administration	574,632	505,718	69,664	–	–	–
Grants to producers	–	–	3,420,504	–	–	19,406,840
Transfers to the Government of Canada	–	–	–	–	–	–
Transfers to the Province of Saskatchewan – GRF	–	–	–	–	24,609	–
	8,500,444	12,433,457	3,490,168	–	24,609	19,406,840
Excess (deficiency) of revenue over expenses for the year	(520,552)	(440,317)	9,878,772	–	3,910,599	(17,703,417)
Net financial assets, beginning of year	5,399,658	5,839,975	–	–	(3,910,599)	13,792,818
Net financial assets, end of year	$4,879,106	$ 5,399,658	$ 9,878,772	$ –	$ –	$ (3,910,599)

(See accompanying notes to the financial statements)

Canada – Saskatchewan Excess Moisture Program		Saskatchewan Feed & Forage Program 2010		Saskatchewan Feed & Forage Program 2011		**Total**	
2014	2013	2014	2013	2014	2013	2014	2013
$ 982	$ 3,513	$ –	$ –	$ –	$ –	$ 51,898	$ 69,057
44,824	207,908	–	11,326	1,764	–	17,281,270	6,421,584
(34,992)	–	–	–	–	–	7,266,736	7,428,669
–	–	–	–	–	–	696,714	–
10,814	211,421	–	11,326	1,764	–	25,296,618	13,919,310
–	–	–	–	–	–	7,925,812	11,927,739
554	815	–	–	–	–	644,850	506,533
10,260	101,353	–	11,326	1,764	–	3,432,528	19,519,519
–	109,253	–	–	–	–	–	109,253
–	–	–	–	–	–	24,609	–
10,814	211,421	–	11,326	1,764	–	12,027,799	32,063,044
–	–	–	–	–	–	13,268,819	(18,143,734)
–	–	–	–	–	–	1,489,059	19,632,793
$ –	$ –	$ –	$ –	$ –	$ –	$14,757,878	$ 1,489,059

Statement of Cash Flows

As at March 31

	Wildlife Damage Compensation Program		The Farm and Ranch Water Infrastructure Program 2013		The Farm and Ranch Water Infrastructure Program 2009	
	2014	2013	2014	2013	2014	2013
Cash flows from (used in) operating activities:						
Cash receipts from the Government of Canada	$ 5,257,264	$ 2,838,545	$ 2,000,000	$ –	$ –	$ 1,700,000
Cash receipts from the General Revenue Fund	4,121,000	6,500,000	9,873,120	–	3,238,494	–
Funds held by the General Revenue Fund	–	(218,012)	–	–	–	–
Interest received	49,377	73,747	–	–	–	–
Cash paid to the Government of Canada	–	–	–	–	–	–
Cash paid to the Government of Saskatchewan	–	–	–	–	26,171	–
Cash received from (paid to) Saskatchewan Crop Insurance Corporation	76,740	188,256	–	–	–	–
Cash paid for administration	(574,632)	(505,718)	(62,430)	–	–	–
Cash paid to producers	(10,516,104)	(7,258,103)	(2,212,504)	–	(6,026,948)	(14,089,349)
Net increase (decrease) in cash and cash equivalents	(1,586,355)	1,618,715	9,598,186	–	(2,762,283)	(12,389,349)
Cash and cash equivalents at beginning of year	7,937,149	6,318,434	–	–	2,786,892	15,176,241
Cash and cash equivalents at end of year	$ 6,350,794	$ 7,937,149	$ 9,598,186	$ –	$ 24,609	$ 2,786,892
Cash and cash equivalents include:						
Cash (Bank overdraft)	$ 1,650,794	$ 2,737,149	$ 9,598,186	$ –	$ 24,609	$ 2,786,892
Investments	4,700,000	5,200,000	–	–	–	–
Due from the Province of Saskatchewan – General Revenue Fund	–	–	–	–	–	–
	$ 6,350,794	$ 7,937,149	$ 9,598,186	$ –	$ 24,609	$ 2,786,892

(See accompanying notes to the financial statements)

Canada – Saskatchewan Excess Moisture Program		Saskatchewan Feed & Forage Program 2010		Saskatchewan Feed & Forage Program 2011		Specified Risk Material Management Program	
2014	2013	2014	2013	2014	2013	2014	2013
$ 609,352	$ –	$ 17,588	$ –	$ –	$ –	$ –	$ –
–	–	–	10,382	1,764	–	–	–
–	–	–	–	–	–	–	–
(15,029)	69,283	–	–	–	–	–	–
–	(211,567)	–	–	–	–	–	–
–	–	–	–	–	(1,551,789)		(8,230)
40,850	(41,079)	–	–	–	–	–	–
(554)	(815)	–	–	–	–	–	–
(14,280)	(268,980)	–	(10,382)	(1,764)	(948,211)	–	–
620,339	(453,158)	17,588	–	–	(2,500,000)	–	(8,230)
850,303	1,303,461	(17,588)	(17,588)	–	2,500,000	–	8,230
$1,470,642	$ 850,303	$ –	$(17,588)	$ –	$ –	$ –	$ –
$1,470,642	$ 850,303	$ –	$(27,970)	$ –	$ –	$ –	$ –
–	–	–	–	–	–	–	–
–	–	–	10,382	–	–	–	–
$1,470,642	$ 850,303	$ –	$(17,588)	$ –	$ –	$ –	$ –

Statement of Cash Flows

As at March 31

	Canada – Saskatchewan Pasture Recovery Initiative		**Total**	
	2014	2013	2014	2013
Cash flows from (used in) operating activities:				
Cash receipts from the Government of Canada	$ –	$ –	$ 7,884,204	$ 4,538,545
Cash receipts from the General Revenue Fund	–	–	17,234,378	6,510,382
Funds held by the General Revenue Fund	–	–	–	(218,012)
Interest received	–	–	34,348	143,030
Cash paid to the Government of Canada	–	–	–	(211,567)
Cash paid to the Government of Saskatchewan	–	(109,171)	26,171	(1,669,190)
Cash received from (paid to) Saskatchewan Crop Insurance Corporation	–	–	117,590	147,177
Cash paid for administration	–	–	(637,616)	(506,533)
Cash paid to producers	–	–	(18,771,600)	(22,575,025)
Net increase (decrease) in cash and cash equivalents	–	(109,171)	5,887,475	(13,841,193)
Cash and cash equivalents at beginning of year	–	109,171	11,556,756	25,397,949
Cash and cash equivalents at end of year	$ –	$ –	$ 17,444,231	$ 11,556,756
Cash and cash equivalents include:				
Cash (Bank overdraft)	$ –	$ –	$ 12,744,231	$ 6,346,374
Investments	–	–	4,700,000	5,200,000
Due from the Province of Saskatchewan – General Revenue Fund	–	–	–	10,382
	$ –	$ –	$ 17,444,231	$ 11,556,756

(See accompanying notes to the financial statements)

NOTES TO THE FINANCIAL STATEMENTS

As at March 31, 2014

1. Status of the Fund

The Saskatchewan Agricultural Stabilization Fund (the Fund) was established under *The Farm Financial Stability Act* (the Act). The Fund generally includes programs established under the Act where the Federal Government has agreed to participate.

The following programs exist within the Fund:

Wildlife Damage Compensation Program:
The Wildlife Damage Compensation and Livestock Predation Prevention Program, referred to as the Wildlife Damage Compensation Program, is administered by the Saskatchewan Crop Insurance Corporation and is the successor program to the Big Game Damage Compensation and the Waterfowl Damage Compensation Programs, which were established in 1996 97 and 1997-98 fiscal years respectively, pursuant to Part IV of the Act. The purpose of the program is to compensate producers of commercial agricultural crops for losses to field crops resulting from damage caused by big game and waterfowl and predation compensation for the death of livestock or poultry due to predation.

Farm and Ranch Water Infrastructure Program 2013:
The Farm and Ranch Water Infrastructure Program 2013 supports the development of agricultural water infrastructure to increase irrigation capacity, mitigate the impact of drought and promote economic development in rural areas and in the livestock industry.

The program provides support for water infrastructure under four programs categories: on-farm, community well, agricultural business development and irrigation district in-fill. The on-farm component is available for farmers, ranchers and First Nation bands. The community well component is available to rural municipalities and First Nation bands. The agricultural business development component is available to intensive livestock operations, intensive horticulture operations, value-added agricultural businesses, non-district irrigators, and First Nations bands. The irrigation district infill component is available to irrigation districts. The program is administered by the Saskatchewan Ministry of Agriculture and is cost shared with the Federal Government.

Farm and Ranch Water Infrastructure Program 2009:
The Farm and Ranch Water Infrastructure Program 2009 provides assistance to develop water infrastructure across the entire province. The program covers on-farm water supplies and the establishment of wells to serve communities over the long term. The intent of the program is to help lessen the impact of drought by providing a secure water source for farmers and ranchers. The program is administered by the Saskatchewan Ministry of Agriculture and is cost shared with the Federal Government.

Canada-Saskatchewan Excess Moisture Program:
The Canada-Saskatchewan Excess Moisture Program is administered by the Saskatchewan Crop Insurance Corporation. Together, the federal and provincial government provided $30 per acre to Saskatchewan producers who had land too wet to seed as of June 20 or seeded crop lost because of flooding on or before July 31 in 2010 and 2011. The funding for this program comes from AgriRecovery, which is part of the federal-provincial Growing Forward Business Risk Management Suite.

Saskatchewan Feed and Forage Program 2010:
The Saskatchewan Feed and Forage Program 2010 (SFFP 2010) provides $30 per ton to producers who have to purchase additional winter feed for their livestock due to excess moisture. Assistance is also provided to help off-set costs of transporting the feed or moving livestock to alternate locations for feeding or grazing. In addition, the SFFP 2010 provides $30 per acre to producers to reseed hay, forage or pasture land damaged by excess moisture.

The SFFP 2010 program is administered by the Saskatchewan Ministry of Agriculture and is cost shared with the Federal Government under the AgriRecovery initiative.

Saskatchewan Feed and Forage Program 2011:
The Saskatchewan Feed and Forage Program 2011 (SFFP 2011) provides $12 per ton to producers who have to purchase additional winter feed for their livestock due to excess moisture. In addition, the SFFP 2011 provides $12 per acre to producers to reseed hay, forage or pasture land damaged by excess moisture.

The SFFP 2011 program is administered by the Saskatchewan Ministry of Agriculture and is funded by the Provincial Government.

Canada-Saskatchewan Specified Risk Material Management Program:
On June 26, 2006 the Canadian Food Inspection Agency (CFIA) announced enhancements to Canada's feed ban in an attempt to strengthen Canada's safeguards against the spread of BSE and to speed its eradication. The CFIA regulations require all Specified Risk Material (SRM) tissues to be removed and excluded from use in all animal feed, pet food, and fertilizer and disposed in a manner approved by the CFIA by July 12, 2007.

The Canada-Saskatchewan SRM Management Program provides funding to facilities affected by the enhanced feed ban for investment in one-time infrastructure development projects specifically related to SRM handling and disposal. The goal is to create viable environmentally safe disposal options across Saskatchewan to reduce the cost of industry adaptation to the new CFIA regulations.

The purpose of the program is to provide assistance payments to eligible applicants who develop the necessary infrastructure to remove, segregate, store, transport, dispose of or destroy specified risk material.

Canada-Saskatchewan Pasture Recovery Initiative:
Under the 2010 Pasture Recovery Initiative, livestock producers living in the eligible municipal districts in West Central and Northwest Saskatchewan receive pasture assistance for breeding cattle, as well as assistance for other types of breeding livestock, subject to size of the eligible livestock.

The program will provide livestock producers in Saskatchewan facing two years of drought with funding from the federal and provincial governments to buy feed while damaged pastures recover.

In the event that these programs terminate, any remaining net financial assets must be returned to the Government of Saskatchewan's General Revenue Fund.

2. Significant accounting policies

These financial statements have been prepared in accordance with generally accepted accounting principles as recommended by the CPA Canada Public Sector Accounting Handbook.

Cash and Cash Equivalents:
Cash and cash equivalents consist of cash, short-term investments with a maturity of 90 days or less, the Fund's bank accounts which are included in the Consolidated Offset Bank Concentration arrangement for the Government of the Province of Saskatchewan (note 3) and all other amounts Due from the Province of Saskatchewan General Revenue Fund.

Investments:
Investments consist of guaranteed investment certificates and are recorded at fair value. The fair value of investments is based on cost, which approximates fair value due to the short-term nature of these financial instruments.

Revenue Recognition:
Funding received is recognized as revenue once authorized and all eligibility criteria have been met.

The Wildlife Damage Compensation program was funded at 80% coverage, cost shared 60% by the Federal Government and 40% by the Provincial Government. On February 19, 2009, coverage was increased to 100%, with the Provincial Government funding the additional 20%.

The Farm and Ranch Water Infrastructure Program 2013 and 2009 programs are funded by the Federal Government and by the Provincial Government under the Growing Forward Framework Agreements.

The amount recognized as revenue from the Federal Government is a percentage of the program eligible expenses.

The return of grant money to the General Revenue Fund is recognized as an expense.

The fund recognizes interest as earned and investment gains and losses when realized.

Use of Estimates:
The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions which affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the period. The significant item subject to such estimates and assumptions is indemnities payable. Actual results could differ from those estimated.

3. Due from Province of Saskatchewan General Revenue Fund

Interest is earned on the Wildlife Damage Compensation Program funds at Prime less 3% to a minimum of 0.5%. Interest is earned on the Canada-Saskatchewan Excess Moisture Program funds at 0.45% on balances exceeding $50 million, at 0.3% on balances between $10 million and $50 million, and at 0% on balances under $10 million. These rates are unchanged from the prior year.

The Farm and Ranch Water Infrastructure Program funds and the Saskatchewan Feed and Forage Program funds are deposited in the General Revenue Fund. Interest is not paid on these accounts.

All other amounts represent short-term receivables from the Province of Saskatchewan General Revenue Fund.

4. Investments

The Fund's investments are in guaranteed investment certificates for a one year term maturing March 29, 2015 with an average effective interest rate in 2013-14 of 1.04 per cent (2013 – 1.13 per cent).

5. Planned results

	Budget 2013-14 ($000)	Actual 2013-14 ($000)	Actual 2012-13 ($000)
Revenue			
Wildlife Damage Compensation	$ 12,500	$ 7,980	$ 11,993
Canada-Sask. Excess Moisture Program	–	11	211
Saskatchewan Feed and Forage Program 2010	–	–	11
Saskatchewan Feed and Forage Program 2011	–	2	–
Farm and Ranch Water Infrastructure 2013	11,900	13,369	–
Farm and Ranch Water Infrastructure 2009	–	3,935	1,705
Expenses			
Wildlife Crop Damage Compensation	12,500	8,500	12,433
Canada-Sask. Excess Moisture Program	–	11	211
Saskatchewan Feed and Forage Program 2010	–	–	11
Saskatchewan Feed and Forage Program 2011	–	2	–
Farm and Ranch Water Infrastructure 2013	11,900	3,490	–
Farm and Ranch Water Infrastructure 2009	–	25	19,409

The planned results and planned amounts have been derived from the budget approved by the Board on February 15, 2013.

6. Fair value of financial assets and financial liabilities

The carrying amounts of all financial assets and financial liabilities approximate their fair value due to their short-term nature.

7. Related party transactions

Included in these financial statements are transactions with various related parties including Saskatchewan Crown corporations, ministries, agencies and boards related to the Fund by virtue of common control by the Government of Saskatchewan.

The Saskatchewan Crop Insurance Corporation administers the Wildlife Damage Compensation and Canada – Saskatchewan Excess Moisture programs.

Routine operating transactions with related parties are settled at prevailing market prices under normal trade terms. Other transactions with related parties and amounts due to or from them are described separately in the financial statements and notes.

In accordance with established Government practice, the Fund has not been charged with certain occupancy, financing, administrative, and other costs. These costs have been absorbed by various ministry appropriations and, therefore, no provision for such costs is reflected in these financial statements.

8. Commitments

Under the Farm and Ranch Water Infrastructure Program 2013 the Fund has committed at March 31, 2014 to provide assistance to applicants for projects to develop water infrastructure totalling $22,192,000. $1,208,000 of which has been reflected as grants payable in these financial statements.